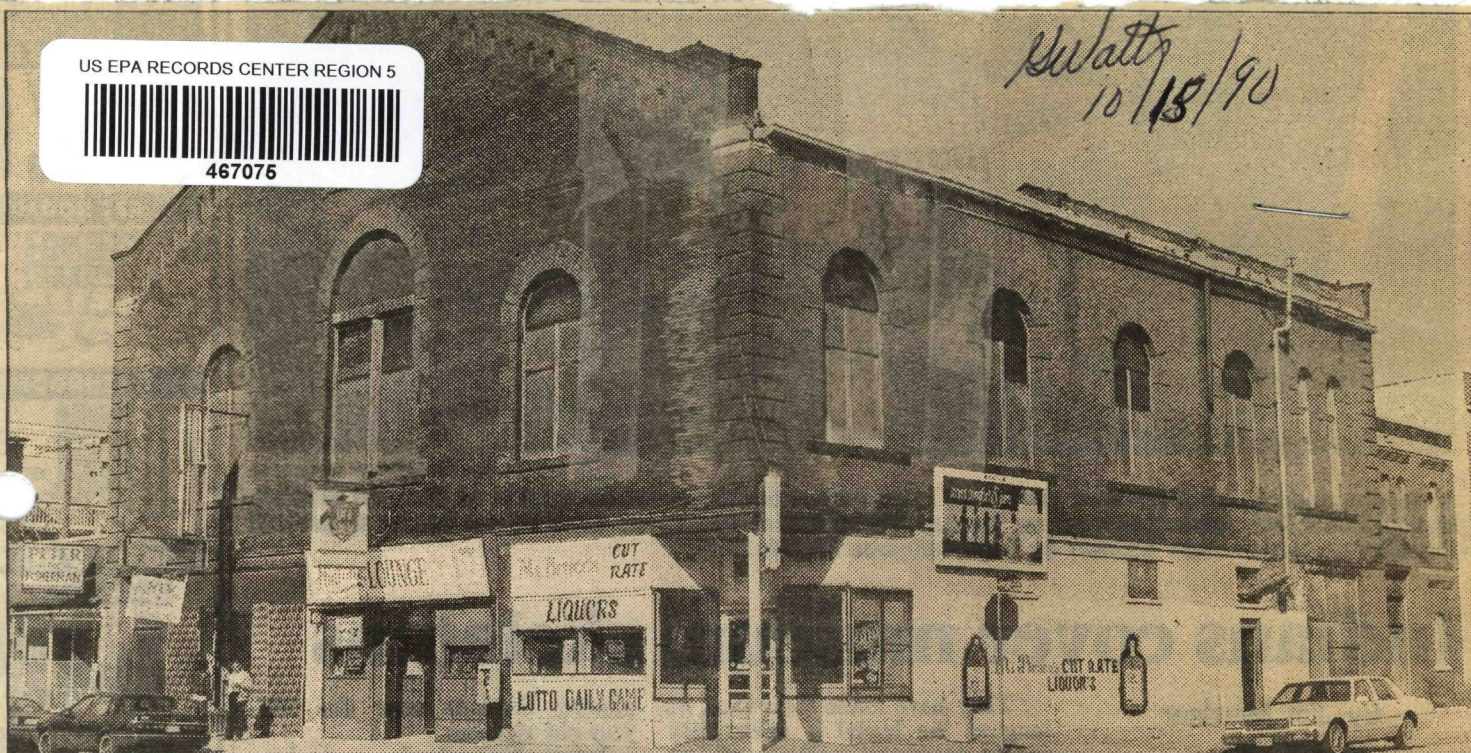


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SUN-TIMES/Gene Pesek

Lou Wolf said he was part-owner of 318-28 E. 43rd St. in 1987. His firm bought the building at a 1988 scavenger sale.

Squabble reveals slumlords' strategies

By Deborah Nelson and Tom Brune

Staff Writers

Two of the city's most active and secretive slum brokers are locked in a legal dispute that has revealed a rare inside view of their byzantine but lucrative real estate dealings.

Lou Wolf and Kenneth Goldberg, who go to extreme lengths to hide property ownership, have spent several months in the past two years answering questions about the most minute details of their holdings and business practices.

The ex-partners are fighting over the rights to some 200 parcels, court records show. Among the better-known properties are the International Amphitheatre, the Uptown Theater, the Riviera Nightclub and the AKA Dance Club.

The legal dispute is over a real estate partnership they formed while chatting in a nightclub some 20 years ago.

In an unusual chain reaction, their

disagreement started when Goldberg's wife filed for divorce five years ago. The feud blew up into the open when Wolf forced his partnership with Goldberg into bankruptcy court.

Since then, court filings and depositions by the former partners have revealed how and why Wolf hides his ownership in property. The city, which has pursued Wolf for code violations, demolition costs and unpaid water bills, said it has been closely monitoring the case.

Wolf said he has never owned property in his own name. Instead, he uses secret land trusts, partnerships, nominees, aliases and business names. Sometimes the names are those of relatives. Other times they are made-up.

On one property, he intended to use his nephew's name, Fred M. Berke, but the man preparing the deed wrote down Fred M. Berdjol. Wolf kept it that way.

On another parcel, he doubly obscured his ownership by putting it in the name of a nominee and then hiding the nominee's name in a secret land trust.

In many properties he owns in partnerships, his name doesn't appear on the deed in any form—it's simply listed on

the partnership's income tax return.

Wolf said his name was hidden out of concern it would draw the attention of city inspectors and attorneys.

His partner Goldberg alleged another reason in his deposition: Wolf had difficulty getting real estate loans. Goldberg said he would apply for loans by using one of Wolf's aliases or without disclosing Wolf's interest at all.

The arrangement with Goldberg worked well for Wolf by his account.

They invested in dozens of properties—though many are vacant or deteriorated—and the partnership returns always showed a profit, Wolf said in his deposition. Other records show they minimized overhead by not paying real estate taxes, water bills or maintenance costs.

The profitable alliance was brought to an end after they had a falling-out and Wolf filed the involuntary bankruptcy case. Goldberg complains the filing is unnecessary and is tying up his property, the main source of his income.

"I'm the only guy suffering here, and it's just a matter of time and I'll be broke," he said. "I might as well just go out and get a job somewhere."



Kenneth Goldberg